



The President's Daily Brief

~~Top Secret~~ 2 July 1968



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THE PRESIDENT'S
DAILY BRIEF
2 JULY 1968

1. Central America

Nicaragua is threatening to break up the Central American Common Market if the other countries do not ratify a tariff measure now pending approval in various Central American legislatures. The measure, a 30 percent external tariff surcharge, is opposed by conservative business interests. President Somoza meanwhile has unilaterally imposed the surcharge, and this is likely to harden opposition to it among the other countries.

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2. Soviet Union -
Egypt

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3. Czechoslovakia

There is still some byplay between Prague and Moscow over the status of the Warsaw Pact exercise. Prague is insisting that the exercise is over, but Moscow's news agency has retracted an earlier statement to this effect.

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4. Israel-Egypt

The Israelis [REDACTED]

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apparently claim a right to exploitation east of the median line in the Gulf because of their occupation of the Sinai Peninsula.

A Standard Oil subsidiary which has a concession in this area granted by Egypt before the June war has already rejected an Israeli offer to cooperate. If Israel moved ahead on its own there would be a shrill reaction from Egypt, and further complications in attempts to promote a settlement between the two countries.

5. Communist China

Signs are multiplying that the Cultural Revolution is heating up again. There have been more frequent and nastier clashes recently between rival Red Guard groups. The most severe have been in Canton, nearby areas of Kwangtung Province, and Kwangsi Province, through which runs the rail line to North Vietnam. Other supposedly "pacified" provinces show increasing signs of instability as frictions grow between "old and new" officials and among mass organizations.

There is also a new rash of poster attacks against leading officials in Peking. Diplomats in the capital report continuing attacks against a prominent politburo member as well as lesser central and provincial leaders. Other posters have denounced alleged attacks against Chou En-lai, and some call for the defense of Mao's wife, whose political role has grown in recent months.

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FOR THE PRESIDENT'S EYES ONLY

- 1.) Special Daily Report on North Vietnam
- 2.) North Vietnamese Reflections of U S
Political Attitudes



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Special Daily Report on North Vietnam
for the President's Eyes Only

2 July 1968

I. NOTES ON THE SITUATION

Sino-Vietnamese Relations: Hanoi yesterday made a public effort to quell rumors of a serious disintegration of North Vietnamese - Chinese relations in a special Nhan Dan editorial commemorating the Chinese Communist Party anniversary. Although the language used to describe relations between the two countries is not as effusive as some that Hanoi has used in the past, the newspaper said that relations were "long-standing and very intimate," and were "developing vigorously and becoming more and more profound and lasting." In describing Peking's support for the war, Hanoi said China had provided "powerful support and great and precious assistance."

The most unusual aspect of the editorial was the wish that China's Cultural Revolution should be crowned with success. Hanoi has made little effort to conceal its distaste for the Cultural Revolution, and it is unusual to see this kind of a statement in either public or private commentary. In sum, Hanoi has made a special effort to please the Chinese.

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Propaganda on Captured Pilots: Radio Hanoi is increasing its exploitation of captured American pilots. The text of a statement attributed to Air Force Colonel John Peter Flynn broadcast over the international service in English dwells at length on the generous medical care he was given by his North Vietnamese captors. Although there are references to American attacks on North Vietnam, the statement is mostly nonpolitical, emphasizing the kindness and generosity of the captors, and designed to convince Western audiences that Hanoi's intentions are the best. Such testimony could be used effectively, for example, at anti-Vietnam war rallies.

Radio Hanoi beamed another broadcast on 29 June to American servicemen in South Vietnam. Attributed to an unidentified American pilot, the statement itself is heavy with propaganda, and the language employed suggests that it may have been written by North Vietnamese propagandists. The statement stresses the futility of bombing North Vietnam, asserting that the air attacks only deepen the resistance of the North Vietnamese people and block the path to peace.

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Also on 29 June, Hanoi Radio broadcast the names of seven more US pilots it said had been shot down over North Vietnam and captured. The broadcast gave dates of capture, serial numbers and ranks, in addition to the names.

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Hanoi Radio on Saigon Politics: Hanoi Radio continues to play up the differences between Thieu and Ky as foreshadowing political chaos in Saigon. In a broadcast beamed to South Vietnamese audiences on 30 June, Hanoi claims that the replacement of Police Chief Loan, the bombing accident which killed several high-ranking South Vietnamese officers in Saigon, and the replacement of corps commanders were all deliberately staged to undermine Ky's position and pre-empt his ability to stage a coup. The article concludes that the only recourse left to Ky is the assassination of Thieu, and strongly implies that this is a real possibility.

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II. NORTH VIETNAMESE REFLECTIONS OF US POLITICAL
ATTITUDES ON THE WAR

There is nothing significant to report today.

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